FINANCIAL INCLUSION OF KORAGA COMMUNITY – A CASE STUDY OF DAKSHINA KANNADA DISTRICT

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Research Guide

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CONTENTS

- **Introduction**
- **Review of Literature**
- **Research Gap**
- **Statement of the Problem**
- **Need for the Study**
- **Objectives of the study**
- **Scope of the study**
- **Hypothesis**
- **Research Methodology**
- **Limitations of the study**
- **Chapter Design**
- **Major Findings**
- **Suggestions**
- **Directions for the Future Research**
- **Conclusion**
- **References**

1. INTRODUCTION

India has a rich history of banking system evolution.They had a crucial role even before independence. The Reserve Bank of India has been primarily focused on creating a strong banking system that can promote economic growth by mobilizing resources and deposits and simultaneously channeling them into diverse sectors to offer customers the finest financial services. As a result, the government has made the decision to use the banking system as a key agent in changing the fundamental policies that have been developed since independence. The financial system has played a crucial role because of its extensive network and simple accessibility, but the majority of the tribal community is unaware of its existence. The planning strategy acknowledged the crucial role that the general public's access to credit and financial services plays in the overall growth of the nation. As a result rapid transformation took place by the channels such as Automated Teller Machines, debit / credit cards, internet banking and mobile banking and these banking services couldn't reach the mass but restricted to particular segment of the society. By this a segment with low income or which don't have access with mainstream of the society remained as population which doesn't have access to banking services. The International Monetary Fund (IMF) published the results of its ninth annual Financial Access Survey (FAS) on September 28, 2018. The FAS gathers data from national central banks or financial regulators, providing a comprehensive view of financial access and usage in 189 countries over a period of more than 10 years. The dataset includes various indicators such as the number of Automated Teller Machines(ATMs), commercial bank branches, and mobile money accounts.

The FAS serves as a valuable tool for policymakers to track and evaluate financial inclusion targets and compare their progress with other countries. This unique supply-side database enables policymakers to assess their performance and identify areas for improvement in promoting financial inclusion.

The IMF's involvement in conducting and releasing the Financial Access Survey highlights its recognition of the importance of financial inclusion as a global development goal. By providing policymakers with reliable and comprehensive data, the IMF contributes to the efforts to enhance financial inclusion worldwide.

In an article -Asia Needs More Access to Financial Services to Grow (SarwatJahan et.al 2018) expressed that Asia, the world's fastest-growing region; expanding access to financial services for more people will mean higher growth, as well as lower poverty and inequality. They too believe that by providing the finical services the gap such as rich and poor can be filled. Moving further they mark a comment that 'Income is not the only factor contributing to the gap between what are often referred to as "the banked" and "the unbanked", and emphases on the need for financial inclusion.

In India, as Reserve Bank of India play a vital role in framing and forming policy for the development of nation by considering the financial strength of the country and also through this promotes economic integrity. It has two prominent rural banking extension service modes; they are 'Business Facilitator' (BF) and 'Business Correspondents' (BC). Both of these are authorized financial service providers of banks. 'With the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, it has been decided in public interest to enable banks to use the services of Non- Governmental Organizations/ Self Help Groups (NGOs/ SHGs), Micro Finance Institutions (MFIs) and other Civil Society Organizations (CSOs) as intermediaries in providing financial and banking services through the use of Business Facilitator and Correspondent models' (RBI Circular 2005-06)

Business Facilitator is an extension of banking services through the banks to deliver services such as opening of zero balance accounts, facilitate loan enablement and other services to the unbanked families. Business Correspondents is extensions of rural banking business services to those who are excluded from the banking stream such as institutional business service providers authorized by banks. As per the scheme RBI permitted the engagement of non-profit entities for delivery of these two services. Further, in the budget of 2007-08 the finance minister announced Financial Inclusion Promotion & Development Fund (FIPF) and Financial Inclusion Technology Fund (FITF), these two rural financial services are part of commitment of the government to provide universal banking services and to promote equity and equal opportunities for the un-served masses.

Rangarajan Committee, (2008)Report of the Committee on Financial Inclusion in India defines it as*"the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an*

affordable cost." The aim of financial inclusion will be clear that it concentrate on the inclusion of marginalized people or of those who are not linked with the mainstream of the society.

Financial inclusion has gained growing attention in development circles. Policy makers and central bankers around the world are discussing how to build more financially inclusive economic system (Gardeva, A. and Rhyne, E2011). It is clear that financial inclusion is of the global trend where every country is planning the inclusive economic growth by the way of promoting savings and investments. Moreover limited participation of people in the financial services from a segment contributes to the general problem of social exclusion (Kempson&Whyley, 1999).

The Center for Financial Inclusion (CFI), through its Financial Inclusion 2020 project, offers a comprehensive definition of full financial inclusion. According to CFI, full financial inclusion is a state in which all individuals who can benefit from financial services have access to a wide range of high-quality services. These services should be affordable, conveniently accessible, and provided in a manner that respects the dignity of the clients. Financial inclusion aims to ensure that financial services are available to all, including marginalized populations such as those with disabilities, the poor, and those living in rural areas. The goal is to create a level playing field and provide equal opportunities for financial participation and empowerment.

Whereas 'India lags behind emerging nations in financial inclusion' (Nair,Remya 2012), it indicates that the central government as well as central bank of the country needs to promote the idea of financial inclusion and it is supposed to reach the unreached.

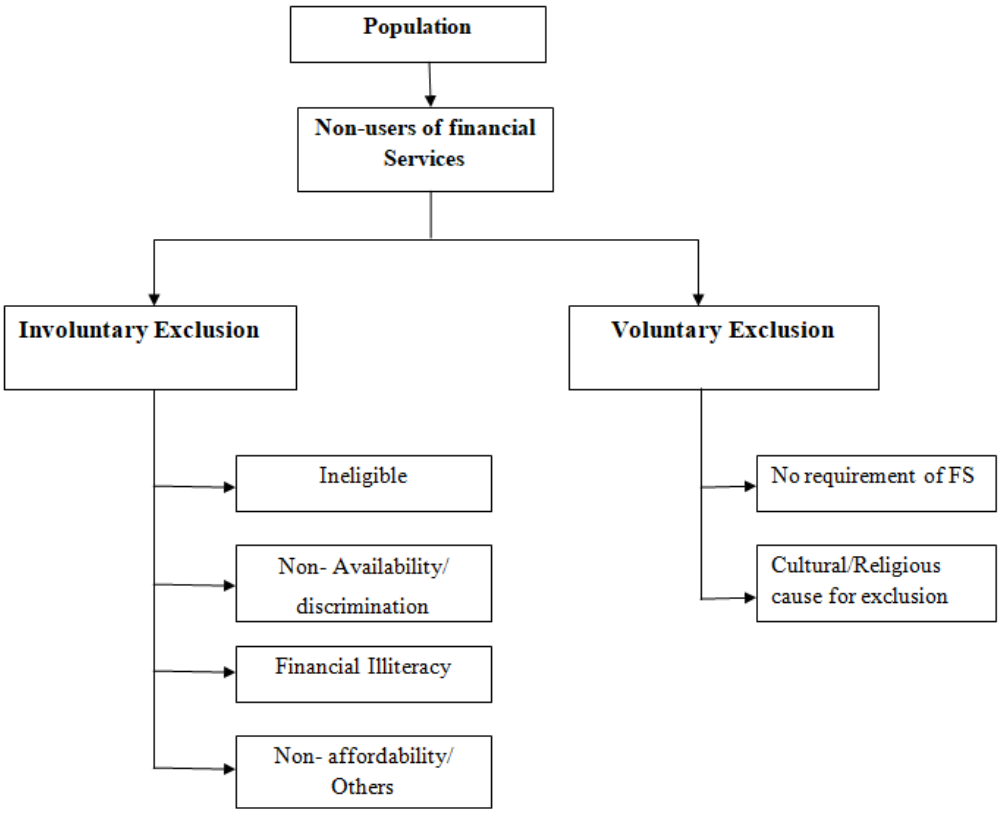
1.1 FINANCIAL EXCLUSION:

In contrast to the term of inclusion, financial exclusion is the source for the emergence of the concept of financial inclusion. It denotes the lack of banking services to the excluded segment. Financial exclusion describes as a state of affairs within which vulnerable people don't have approach to banking products and services like bank accounts, insurance policies & credit and debit cards. In Report of Inclusion by C. Rangarajan (2008), financial exclusion is outlined as limited right to use of financial services by the poorer division of the society in India. Generally, this part of population includes people or families having weak financial position, that aren't ready to approach the bank and to avail banking benefits. Thus primarily, financial

exclusion is that state of affair where large cluster of public is financially eliminated or not able to get important financial services.

As per report ofWorld Bank (2008), the country's population is either using or not using banking services. Those who are not using financial products and services are further elaborated as people having voluntary exclusion and involuntary exclusion.

Voluntary exclusion means person is excluded willingly, as there is no requirement of financial services or there are restrictions because of cultural and religious reasons. On the other hand, involuntary exclusion means exclusion because of reasons like, high risk and less income in hand or no awareness/ information, price constraints, non- affordability etc. This classification is presented in the figure 1.1.



Source: *World Bank Report, 2008 Finance for All, Policies and Pitfalls in Expanding Access*

1.2 FINANCIAL INCLUSION

At a global level, "financial inclusion" has acquired a saturation point in developed economies; however, the developing or under-developed nations have yet to undergo changes to facilitate inclusion. Well-functioning financial systems in the world have a great purpose that deals with providing savings, credit payment, and services that ensure minimum risks to people who require these. Financial inclusion that confirms the accessibility of financial services to all, without price or non-price barriers is a crucial way of making the financial system strong (Demirguc-Kunt&Klapper, 2012).Without financial inclusion, the unprivileged people are highly dependent on their limited earnings and savings to invest in their education or small businesses or potential growth opportunities. It is inferred that with low financial inclusion, the income inequality will increase with reduced economic growth.

As far as Organization for Economic Co-operation and Development (OECD) countries are concerned, 90.6 percent of adults and workingpopulation, and 94 percent of high salaried individuals have a bank account, whereas 27.4 per cent of adults in low-income countries have an account (Singer, Ansar&Hess, 2018). There is a wide gap identified between developed nations and thosewith poor economy and population with low salary. Furthermore, 75.1 percent ofadults in OECD countries have debit cards, and only 6.6 percent of population in thelow-income countries has the same (Beck.T et al., 2008). While most adultsprefer making digital transactions, the people from high-income economies are moreindulged in digital payment activities as compared to those in developing economies (The Global Findex Database, 2017). This necessitates the need of financialinclusion in poor countries as that will help them build their economy. Consideringfinancial inclusion at a global level, only 60% of the population around the world hasa bank account.

According to World Bank, 55 nations at international level considered financial inclusionas the important determinant of economy's prosperity. More than 60 nations areintroducing financial inclusion as growth strategy by expanding banking regulations ineach and every part of country. The idea of inclusive development has increased widesignificance in a few nations including India (Priya, 2006**).** Financial inclusion is a significant economic tool towards inclusive development. It helps in the financialadvancement of the distraught populace. Financial inclusion is additionally viewed as anopen door for the formal banking. It would allow

them to infiltrate into unbanked regionsand in this manner help in accomplishing benefit. It is eminently significant for economicgrowth and ensures the reduction in poverty and inequality, where the maximum profitswith financial inclusion can be drawn by the low-income countries (Loukoianova & Yang, 2018).

There has been a vast development done due to the introduction of financial inclusion.For instance, in Latin America, the growth of service provider in terms of Mobile hada great effect on the usage of smart cards and movement toward the digitalization. Srilanka and Singapore, has introduced the process of giving license with the help ofsmart cards. This smart card is a high tech project which provides security. In Srilanka, mCheck and Digital telecom services are boosted by the mobile services. InAsia, the expansion of smart cards has been stressed in all the sectors of the banks.There was a huge development in the countries towards promotion of usage of ICTbased applications.

1.3 FINANCIAL INCLUSION IN INDIA

Many countries have approached financial inclusion differently according to theavailability of various models. As per the requirement and presence of parameters, inIndia, the bank led model has been adopted, which offer various range of productsincluding savings, credit etc. Chakrabarty (2012) further stressed that themainstream players have an array of financial products which can help to createeffective financial inclusion. The usage of technology partner and intermediaries withthe banks can offer these services more effectively. To achieve the target,collaboration between the intermediaries is important. It is difficult to offer widerange of products by the intermediaries like MFIs, NGOs, NBFC independently.

1.3.1 RECENT INITIATIVES

The most recent initiatives undertaken were setting up of MFIs, CSO, National Rural Financial Inclusion Plan, The FI Fund (FIF), and The FI Technology Fund (FITF). Apart from that variousother schemes started by government of India to encourage Financial Inclusion are:

1) Pradhan Mantri Jan-DhanYojana(PMJDY), which gives an accidental insurance to the beneficiaries specifically forthe poor section of the society.

2) Swabhiman campaign has been started by the Indian government to boostawareness about Financial Inclusion.

3) Payment of wages in Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) through the Banking Correspondent (BC)model.

4) Introduction of JAM trinity that merges Jan Dhan Scheme with the Aadhar card initiative and Mobile banking.

5) Direct transfer of subsidy on LPG, fertilizer and kerosene etc. to thebeneficiaries through their bank accounts.

In the long run, the initiative of Financial Inclusion is guaranteed to increase the purchasing power ofthe rural people, which would strengthen the country's economy.

1.4 FINANCIAL INCLUSION IN KARNATAKA

Syndicate Bank has been a leader in this new initiative for financial inclusion since it is the convener of the State Level Bankers' Committee (SLBC), Karnataka, a forum that represents all the banks in the State of Karnataka. With active support from the Government of Karnataka and Reserve Bank of India, SLBC working closely to see that EBT (Electronic Benefit Transfer) payments of SSP (Social Security Pension) and wages under MGREGS (Mahatma Gandhi Rural Employment Guarantee Scheme) are paid through smart cards/Rupay in seven districts of Karnataka viz., Bellary, Chitadurga, Gulburga,Yadagir under one District many Bank Model which leads and By combining Chamaraja Nagar, Dharwad, and Mandya under one District One Bank Model, more people could use formal banking services and become financially included.

At the Annual Banker's Conference 2006, UshaThorat, Deputy Governor, RBI; said that introduction of IT-enabled financial inclusion would facilitate easy payments to beneficiaries under various schemes of the state and central governments . These were in nature of social security pension schemes and the National Rural Employment Guarantee Scheme (NREGS) which can be directly deposited to their bank accounts.

Pilot projects were then started in the Karnataka districts of Bellary and Chitradurga. In coming phases, the entire state would be covered. C P Swarnkar, chairman and managing

director of Syndicate Bank, said during the SLBC meeting that banks have taken initiatives to implement the 100% financial inclusion programme in areas covered by Greater Bangalore City Corporation(GBCC). in order to put the entire state of Karnataka within its umbrella

The Reserve Bank of India, however, denied the claims made by state-level bankers' committees that some districts in the nation had attained 100% financial inclusion. After the financial inclusion plan was assessed, it was determined that not all people had access to financial services.

"Most of the accounts that have been opened as part of the financial inclusion drive have remained inoperative due to various reasons such as distance from the branch, illiteracy, lack of interest and non-availability of passbooks".(Economic Times - January 23 2009)Thereby we look into the operations aspect of these accounts.

While understanding this situation in Karnataka, a district which gave birth to the nationalized banks will be in light to discuss the effectiveness of financial inclusion ad thus a native tribal community has been selected for the study to understand the reach of financial services.

The main element that encourages financial inclusion is thought to be financial literacy. The Reserve Bank of India and the Central Government are implementing numerous projects and programmes to increase financial literacy among the populace. Even so, a large number of people lack even a basic understanding of the economic principles required to make wise investing and saving decisions. One account should be opened with a financial institution for each citizen as part of the financial inclusion concept.

Due in part to their traditional outlook and attitude toward money and savings, as well as their understanding of and accessibility to banking and financial services, the tribal groups in India have endured centuries of severe economic isolation. Since the tribal community is sparsely dispersed throughout small hamlets, financial inclusion is made all the more difficult. In this regard the present study attempts to focus on importance and enumerating the need of the status of financial inclusion of Koraga community of Dakshina Kannada District.

1.5 KORAGA TRIBE

The koraga are a tribal group primarily found in the districts of Dakshina Kannada, Udupi, and Kassargod in Kerala. The koraga community is a scheduled tribe that continues to lag behind in all areas. The community has also been designated as a Primitive Tribal Group. The Indian government has identified the Koraga as a Scheduled Tribe.'The Koragas are summed up, in the Madras Census Report, 1901, as being a wild tribe of basket-makers and labourers, chiefly found in Mudbidri, and in Puttur in the Uppinangaditaluk of South Canara'.(Thurston, 1909) If we look at the pre independence era this tribe was severely excluded from the society as they were employed as scavengers in sanitary department and some skilful in manufacturing of cradles, baskets, and , cylinders to hold paddy etc. even now the main economic activity is concerned with basket making. 'This being the traditional occupation, people belonging to older generation is involved in basket making is comparatively more than the younger generation'(Chaudhari k Sarit 20005). The tribe is superstitious also and the very practice of the tribe '*Ajalu*' has been prohibited with the view to provide the human dignity where they will be treated as slaves. The Karnataka Koragas (Prohibition of Ajalu Practice) Act, 2000 received the assent of the governor in December 2000.

1.6 NEED FOR FINANCIAL INCLUSION OF KORAGA TRIBE

Ensuring that the benefits and fruits of growth reach the populations at the base of the pyramid, especially vulnerable socio-economic groups, is a fundamental element of inclusive growth.Therefore, inclusive prosperity in India remains a phantom and will elude us barring a thorough overhaul of every aspect of how the Indian State runs at the local level.

India has a significant number of programmes, regulations, and directives designed to increase banking access and guarantee service to the unbanked population, especially social groups. There are several programmes, strategies, and rules designed to offer financial products and services to the underprivileged. It might be difficult for those who do not have bank accounts to access banks and the services they provide. The never-ending influx of new initiatives and directives in this area amply reveals that none of them have succeeded in achieving their primary goal of financial inclusion. The review studies say "Why the majority of financial inclusion business strategies have not reached to the social vulnerable groups and sectoral groups"? The

literature reviews presented in the earlier studies are very few at micro level. The majority of the studies are only at macro level but not at the micro level supported by empirical evidence. Those studies focused on business strategies and technology aspects. But there are no any studies on status of financial inclusion at tribal households in Dakshina Kannada district of Karnataka State up to now. To fill this research gap an attempt will be made in this study to focus on financial inclusion of Koraga Community of Dakshina Kannada District of Karnataka State. The main thrust of the study is to examine the status of financial inclusion of Koraga community, and the need to consider the economic strategies to achieve overall goal.

2. REVIEW OF LITERATURE

Recognition of appropriate research gap provides the right direction for the present study as to study the issues which have been not covered in the earlierstudies. The existing studies related to financial literacy, financial awareness, financial exclusion, financial inclusion at global level, Indian context and also studies on tribal issues have been critically reviewed and summarized under the different objectives of the present study.

The literature review for this study is organized into thematic sections, providing a comprehensive analysis of financial inclusion at global, national, regional, and tribal levels, leading to the identification of gaps in research regarding the Koraga tribe.

2.1 Global Perspectives on Financial Inclusion

Financial inclusion has been a global priority aimed at reducing poverty and fostering economic growth. Across countries like the United Kingdom, Brazil, and South Africa, efforts have been made to ensure that marginalized communities have access to affordable and comprehensive financial services. These initiatives have highlighted the importance of integrating underserved populations into formal financial systems through innovative financial products and policies.

2.2 Financial Inclusion in India

In India, financial inclusion has been a key focus area, especially with government schemes designed to extend banking services to rural and urban poor populations. Initiatives like the Pradhan Mantri Jan DhanYojana and other financial literacy programs have aimed to bring more

individuals into the banking system. Despite these efforts, a large segment of the population remains excluded, particularly in rural and tribal areas, indicating a need for continued focus on these groups.

2.3 Financial Inclusion in Karnataka

In Karnataka, research has focused on financial inclusion in rural areas, particularly the role of cooperative societies and regional banks in extending credit and banking services. Despite progress in increasing access to financial services, disparities remain, particularly among marginalized communities in rural regions, highlighting the need for more tailored financial inclusion strategies.

2.4 Tribal Studies and Financial Inclusion

Tribal communities in India, including those in states like Odisha and Jharkhand, face significant barriers to financial inclusion due to factors like geographic isolation, illiteracy, and socio-economic disadvantages. While several studies have focused on improving access to financial services for these groups, many tribal populations continue to face exclusion from formal financial systems, underscoring the need for targeted interventions.

2.5 Koraga Tribal Studies

The Koraga tribe, a Particularly Vulnerable Tribal Group (PVTG) in Dakshina Kannada, faces numerous socio-economic challenges. Although there has been research on their cultural and health-related issues, studies specifically addressing their financial inclusion are limited. This gap in the literature presents an opportunity for in-depth exploration of how access to financial services can improve the socio-economic status of the Koraga tribe.

The current study identifies a significant research gap regarding the financial inclusion of the Koraga community, aiming to explore their unique challenges and offer recommendations for more inclusive financial strategies.

3. THEORETICAL FRAMEWORK

To effectively address financial inclusion, it is essential to explore various theoretical frameworks that offer insights into how financial services can be made universally accessible and equitable. These theories provide different perspectives on the role of formal financial services in society and their impact on individuals and communities.

The Public Good Theory views financial services as a universal right, positioning the government as responsible for ensuring access to all, regardless of socio-economic status. The Dissatisfaction Theory focuses on re-engaging individuals who have left the formal financial sector due to dissatisfaction, addressing service quality and trust issues. The Vulnerable Group Theory highlights the importance of targeting marginalized groups such as women, the elderly, and low-income populations, ensuring these vulnerable segments receive prioritized support. The Systems Theory emphasizes the interconnectedness of various economic, social, and institutional structures in driving financial inclusion outcomes.

The Community Echelon Theory suggests the pivotal role of community leaders in bridging the gap between informal systems and formal financial institutions, particularly in tribal and rural settings. The Public Service Theory advocates for government-led financial inclusion, ensuring confidence in the system through state-run services. The Special Agent Theory promotes the use of specialized agents like local banks and NGOs to deliver financial services to underserved populations. The Collaborative Intervention Theory emphasizes multi-stakeholder approaches, with governments, private sectors, and NGOs working together to expand financial inclusion.

The Financial Literacy Theory posits that improving financial literacy is critical to encouraging individuals to engage with formal financial services. The Private and Public Money Theories provide contrasting views on the source of funding for financial inclusion, highlighting private sector innovation and government support. Finally, the Intervention Fund Theory suggests the use of special intervention funds from NGOs and international organizations to drive targeted financial inclusion programs

These theoretical frameworks guide the analysis of financial inclusion initiatives, particularly for marginalized communities like the Koraga tribe, offering valuable insights into the challenges and mechanisms that can promote equitable financial access.

4. RESEARCH GAP

The existing body of research highlights the pivotal role of financial inclusion as a fundamental objective for the development of many developing nations. Over the past decade, numerous studies have underscored the direct correlation between financial exclusion and persistent poverty in these regions. Financial inclusion, characterized by unrestricted access to financial services devoid of price and non-price barriers, varies relative to a country's developmental stage. While extensive research has been conducted globally, a substantial focus has also been directed towards financial inclusion studies in India, particularly in urban and rural settings. Notably, Karnataka, renowned as the Cradle of Banking, has witnessed comprehensive studies in cities like Mysore and Bangalore, as well as other districts. However, a critical research gap persists in examining financial inclusion among vulnerable communities within the Dakshina Kannada district, a region with historical significance as the birthplace of nationalized banks, which continue to thrive over centuries.

The imperative to address this gap necessitates an in-depth investigation into the financial inclusion landscape of the Koraga community within Dakshina Kannada district, serving as a compelling academic pursuit that contributes to the existing body of knowledge in a sound and cohesive manner. While studies on the Koraga tribes have delved into a range of crucial areas, including their socio-economic challenges, health conditions, healthcare practices, cultural heritage, historical marginalization, educational barriers, and vulnerability as a particularly vulnerable tribal group, a noticeable gap exists in the realm of financial inclusion aspects, particularly within this specific district. Despite significant global and national research on financial inclusion, the focus on vulnerable communities like the Koraga tribe in this geographical context remains limited. This research gap presents a compelling opportunity to explore and analyze the dynamics of financial inclusion within the Koraga community, shedding light on their unique financial challenges and contributing to a more comprehensive understanding of their overall well-being and development.

5. STATEMENT OF PROBLEM

Financial literacy is considered as the major factor that promotes financial inclusion. Due to the importance of financial literacy, Reserve Bank of India and Central Government are undertaking many projects and programmes to make the people financially literate. Even then many of the individuals are unfamiliar with even the most basic economic concepts needed to make sensible saving and investment decisions. The idea of financial inclusion is routed with one account per every citizen should be opened with the financial institutions.

The tribal communities in India has faced several decades of severe economic exclusion due in part to their traditional outlook and attitude towards money and savings, as well as their knowledge of and access to banking and financial services. Financial inclusion is even more challenging as the tribal population is thinly distributed across tiny hamlets. In this juncture to identify the measures for suggest relation to tribal community is need to be done and with this earlier studies and works be reviewed for finding research gap.

6. NEED FOR THE STUDY

There are numerous indigenous people living in India who have not yet adopted contemporary lifestyles. India has the world's largest population of tribal people, numbering about 84.4 million. These tribes are socially excluded too, even after many years of the independence they don't form a part in the main stream. Integrated DakshinaKannada district is called the "Cradle of Indian Banking". However, situation at bottom level is not different. The majority of tribe members and the poor lack access to the fundamental financial services that would enable them to manage their assets and earn revenue. If they have access, readily available and reasonably priced financial services open up new economic opportunities and give people confidence and power In this regard, this study is more appropriate one.

7. OBJECTIVES OF THE STUDY

- To study the government initiatives and current status of financial inclusion in India.
- To analyse the nature of financial practices of Koraga community in Dakshina Kannada district.
- To find out the extent of financial inclusion of Koraga community in Dakshina Kannada district.

- To assess the impact of financial inclusion programmesamong the Koraga community of Dakshina Kannada district.
- To diagnose the problems related to financial inclusion and to device an effective strategy for financial inclusion for backward community.

8. SCOPE OF THE STUDY

The scope of this research aims to address the gaps in existing product strategies and credit delivery mechanisms for financial inclusion. Specifically, it focuses on the financial inclusion of the Koraga community in the Dakshina Kannada district. The study will offer key insights that can assist policymakers, financial institutions, and technology providers in developing innovative strategies to meet the needs of this community. These strategies will help establish an economic framework that promotes growth through collaboration among all stakeholders to achieve financial inclusion goals. The research primarily concentrates on exploring the relationship between banking services and financial inclusion in this context.

9. HYPOTHESIS

H1: Financial Practices

H1.1: There is a significant association between gender and the level of financial practices.

H1.2: There is a significant association between religion and the level of financial practices.

H1.3: There is a significant association between marital status and the level of financial practices.

H1.4: There is a significant association between family size and the level of financial practices.

H1.5: There is a significant association between education and the level of financial practices.

H1.6: There is a significant association between employment and the level of financial practices.

H1.7: There is a significant association between monthly income and the level of financial practices.

H2: Financial Awareness

H2.1: There is a significant association between marital status and the level of financial awareness.

H2.2: There is a significant association between family size and the level of financial awareness.

H2.3: There is a significant association between education and the level of financial awareness.

H2.4: There is a significant association between employment type and the level of financial awareness.

H3: Financial Inclusion

H3.1: There is a significant association between gender and the level of financial inclusion.

H3.2: There is a significant association between family size and the level of financial inclusion.

H3.3: There is a significant association between education and the level of financial inclusion.

H3.4: There is a significant association between employment type and the level of financial inclusion.

H4: The Mean Score of Accessibility and Impact is not equal to zero.

H5: There is significant impact of financial awareness on financial Inclusion mediating through financial practices.

10. RESEARCH METHODOLOGY

In the pursuit of understanding the financial inclusion dynamics of the Koraga community in Dakshina Kannada District, a rigorous research methodology was employed. The study adopted a mixed-methods approach, combining quantitative surveys and qualitative interviews to capture a comprehensive view of the community's financial practices.

10.1 Geographical Area of the Study

Situated in the Indian state of Karnataka, Dakshina Kannada is a district characterized by its abundant rainfall during the monsoon season. Bounded by the Western Ghats to the east and the Arabian Sea to the west, the district shares borders with Hassan District to the east, Kodagu to the southeast, Udupi District to the north, Chikmagalur District to the northeast, and Kasaragod District in Kerala to the south.

Dakshina Kannada is subdivided into two revenue subdivisions: Mangalore, encompassing Mangalore, Bantwal, Moodabidri, Mulki, and Vitla; and Puttur, consisting of Puttur, Belthangady, Sullia, and Kadaba. The district's administrative hub is Mangalore city

As of the 2011 census, Dakshina Kannada had a population of 2,083,625. The district is composed of seven talukas: Mangalore, Bantwal, Puttur, Sullia, Belthangady, Kadaba, and Moodabidri..

10.2 Methods Of Data Collection

i) Primary data

To explore the concept of financial inclusion among the Koraga community, primary data were analyzed. This data was collected through scheduled interviews conducted in local languages. The data samples were gathered using a stratified random sampling technique, with the population divided into strata based on taluk (sub district) divisions. Random samples were selected from each taluk to ensure representation across different areas, and additional samples were obtained through referrals, considering the closely-knit nature of the Koraga community. The study also included perspectives from two bank officials sampled

from each taluk, providing a comprehensive view of financial inclusion initiatives for the Koraga tribe.

ii. Secondary data

The secondary source of data relating to the study are gathered from the following information sources such as Government Reports, Tribal Development reports of state and district, reports of various research and surveys conducted by institutions and individuals, district statistical reports, office documents, journals, newspapers, and reports of various committees.

10.3 Sampling Design

Population of study area

Table 1.1 Talukwise Koraga Population in Dakshina Kannada District

Sl No	Name of the Taluks	No of Families	Population		
			Male	Female	Total
1	Mangalore (Urban)	271	621	583	1204
2	Mangalore(Rural)	503	1088	1114	2202
3	Bantwal	187	294	278	572
4	Puttur	100	206	190	396
5	Belthangady	113	195	188	383
6	Sullia	32	61	40	101
	Total	1206	2465	2393	4858

(2011 Census Report)

Determination of Sample Size

The size of the sample is determined by using Taro Yamene's formula given below

Where, n= sample size required,

N= total population size which is 4858 and

E= allowable error (%) (0.05)

$n = N/ 1 + Ne^2$

$= 4858/ 1 + 4858 (0.05)^2$

$= 369.5701787751996$

Rounded to 370

To proportionally allocate a sample size of 370 among the different regions, the relative proportion of each region in the total population is calculated.

Sample Structure

The total population is:

1204 (Mangalore Urban) + 2202 (Mangalore Rural) + 572 (Bantwal) + 396 (Puttur) + 383 (Belthangady) + 101 (Sullia) = 4858

Table 1.2 Calculation of proportions of the sample

Sl No	Name of the Taluks	The proportion of each region in the total population	To allocate a sample size of 370 proportionally	After rounding, the sample size for each region
1	Mangalore (Urban)	1204 / 4858 = 0.248	0.248 x 370 = 91.76	92
2	Mangalore(Rural)	2202 / 4858 = 0.453	0.453x 370 = 167.11	167
3	Bantwal	572 / 4858 = 0.118	0.118 x 370 = 43.66	44
4	Puttur	396 / 4858 = 0.081	0.081 x 370 = 29.97	30
5	Belthangady	383 / 4858 = 0.079	0.079 x 370 = 29.13	29
6	Sullia	101 / 4858 = 0.021	0.021 x 370 = 7.77	08
	Total	1.000	370	370

10.4 Statistical Tools

Variables

Independent Variable: Financial Awareness

Mediating Variable: Financial Practices

Dependent Variable: Financial Inclusion

Measures

Financial Practices: Participants are asked about their financial behaviors, including budgeting, saving, investing, and borrowing. Responses are scored on a scale ranging from low to high financial practices based on established criteria.

Financial Awareness: Participants' level of financial knowledge and understanding of concepts is assessed through a set of questions covering various financial topics. The responses are scored and categorized into low, moderate, and high levels of financial awareness.

Financial Inclusion: The extent of participants' access to and utilization of banking services is measured using indicators such as bank account ownership, credit usage, and savings behaviors. A composite index is created to categorize participants into low, moderate, and high levels of financial inclusion.

Data Analysis

The collected data is subjected to rigorous statistical analysis using appropriate software (e.g., SPSS, Excel). The following analysis techniques are employed:

Descriptive Statistics: Descriptive statistics such as mean, standard deviation, and frequency distributions are calculated to summarize and characterize the demographic profiles of participants and the distribution of variables.

Chi-Square Test: Chi-square tests are used to explore the associations between demographic variables (e.g., gender, education, income) and levels of financial practices, awareness, and inclusion.

One-Sample t-test: One-sample t-tests are employed to examine the mean differences in the impact of accessibility and impact of banking facilities on financial inclusion.

Regression Analysis: Regression analysis is conducted to investigate the impact of financial awareness on financial inclusion while considering the mediating role of financial practices. Standardized total effects, direct effects, and indirect effects are examined.

11. LIMITATIONS OF THE STUDY

The main purpose of the present research is to study financial inclusion among Koraga tribal community of Dakshina Kannada district of Karnataka and this nature of region – specific descriptive study is bound to have inherent limitations in generalization.

Geographical Limitation: The study is confined to the Dakshina Kannada District, which may limit the generalizability of findings to other regions with potentially different socio-economic contexts and financial landscapes.

Sampling Bias: The study's reliance on a specific sample of the Koraga community may introduce sampling bias, potentially overlooking the diversity within the community and the experiences of those who may not have been included in the study.

Cross-Sectional Nature: The cross-sectional design of the study provides a snapshot of the community's financial situation at a specific point in time, limiting the ability to draw conclusions about temporal changes or causality over an extended period.

Self-Reported Data: The study relies on self-reported data, introducing the possibility of response bias and inaccuracies due to memory lapses or social desirability biases, particularly in sensitive financial matters

Limited Cultural Context: While the study acknowledges the influence of culture on financial behaviors, a more in-depth exploration of cultural nuances and their dynamic interaction with financial practices could provide a richer understanding of the community's financial inclusion.

12. CHAPTER SCHEME

The chapter scheme of the study is as follows

Chapter I - Introduction:

The introduction serves as a gateway to the research, providing readers with a brief overview of the research subject and the title chosen for the study. It sets the stage by offering context and significance to the research topic, highlighting why it is important to investigate financial inclusion within the Koraga community in Dakshina Kannada District.

Furthermore, the introduction contains a clear statement of the research problem. It outlines the specific questions or issues that the study aims to address, such as understanding the level of financial inclusion and awareness among the Koraga community. Additionally, it presents the methodology employed to gather and analyze data, giving readers an understanding of the research's approach and methods.

Chapter II: Literature Review and Theoretical Framework:

In this chapter, the researcher provides a comprehensive review of previous studies, articles, reports, and theses related to financial exclusion, financial inclusion, and tribal studies. The objective of the literature review is to synthesize existing knowledge, identify gaps in current understanding, and clarify how this study contributes to the existing body of knowledge. By examining past research, the chapter establishes a strong theoretical foundation for the study and informs the development of research questions or hypotheses.

The theoretical framework section draws on various theories that explain how financial services can be made universally accessible and equitable. These frameworks offer different perspectives on the role of financial institutions and their impact on marginalized communities, particularly the Koraga tribe. By integrating these theories, the researcher aims to understand the mechanisms that drive financial inclusion and develop strategies for overcoming the barriers faced by vulnerable groups in accessing formal financial systems.

Chapter III - Financial Inclusion in India:

This chapter focuses on providing an overview of financial inclusion programs and initiatives in India. It outlines the efforts made by institutions like the Reserve Bank of India (RBI) and the Government of India to promote financial inclusion throughout the country. The chapter may delve into specific policies, schemes, or regulatory measures implemented to extend financial services to marginalized communities like the Koraga tribe.

By examining the financial inclusion landscape in India, the research gains a broader understanding of the context within which the Koraga community's financial inclusion is being addressed. This chapter also highlights the importance of financial inclusion in fostering economic growth and reducing disparities.

Chapter IV - Profile of Dakshina Kannada District and Koraga Community:

This chapter provides in-depth insights into the study area, Dakshina Kannada District, and offers a comprehensive discussion about the Koraga community. It may include details about the region's demographics, socio-economic characteristics, and the historical context of the Koraga tribe's presence in the area.

By understanding the specificities of the study area and the community under examination, the research can better contextualize the subsequent data analysis and draw more accurate conclusions.

Chapter V - Data Analysis (Extent of Financial Inclusion):

In this core chapter, the collected data is subjected to thorough analysis and interpretation to determine the extent of financial inclusion within the Koraga community. The research may employ various quantitative and qualitative methods to assess the level of access the community has to financial services, such as banking, credit, insurance, and savings opportunities.

The data analysis aims to reveal the challenges and opportunities for financial inclusion in the Koraga community, shedding light on any disparities or barriers that may exist. This chapter's findings lay the groundwork for Chapter VII's conclusions and recommendations.

Chapter VI - Data Analysis (Level of Awareness - Regarding Various Financial Services):

Similar to Chapter V, this chapter focuses on data analysis, but specifically with regards to the level of financial awareness among the Koraga community. The researcher examines the community's knowledge and understanding of different financial services, their benefits, and how to access them.

The findings from this chapter complement the previous analysis and provide a comprehensive picture of the community's financial knowledge and preparedness, which directly influences their ability to participate in financial inclusion programs.

Chapter VII - Findings, Suggestions, and Conclusion:

The final chapter of the study synthesizes the research's main findings from the data analysis. It reiterates the key discoveries related to financial inclusion and awareness among the Koraga community.

Additionally, based on the research findings, the chapter offers relevant and practical suggestions to improve financial inclusion efforts targeted at the Koraga community. These suggestions may encompass policy recommendations, program enhancements, and community engagement strategies to address the identified gaps and challenges.

The chapter concludes the research study by summarizing its contributions to the field of financial inclusion and tribal studies, and it may also highlight the potential implications and significance of the study's findings for future research or policy implementation.

13. MAJOR FINDINGS

Age-wise Classification: The study revealed a significant representation of middle-aged adults (35-44 age groups) among the respondents, followed by younger adults (18-24 and 25-34 age groups). Older adults (55 and above) had the lowest representation in the study population.

Gender-wise Classification: The study had a relatively balanced representation of male and female respondents, with slightly more males participating.

Religion-wise Classification: Hinduism was the predominant religion among the respondents, followed by Christianity and tribal religions. This showcases the religious diversity within the Koraga tribal community.

Education-wise Classification:The respondents displayed a diverse range of educational backgrounds, ranging from no formal education to various levels of schooling, diplomas, degrees, and postgraduate qualifications.

Occupation-wise Classification: The study revealed a variety of occupations within the Koraga tribal community, including farming, animal husbandry, forestry, poultry farming, daily labor, private employment, government services, and individuals who were unemployed or students.

Monthly Income-wise Classification: The study population had a varied income distribution, with a significant portion falling within the moderate income range. Some respondents faced financial challenges with lower incomes, while others enjoyed higher income levels.

Marital Status-wise Classification: The majority of respondents were married, followed by single individuals and widowed individuals.

Size of Family: The study population had a range of family sizes, including individuals living alone, couples, small nuclear families, and larger households with extended family members.

Number of Earning Members in the Family: The majority of families had two earning members, followed by families with three earning members. There were also families with one, four, five, and more than five earning members.

Sources of Income: The main sources of income for the respondents were farming, animal husbandry, forestry, poultry farming, daily labor, government employment, and private employment. Some families had multiple income sources.

Awareness of Saving Money: All respondents (100%) in the study demonstrate awareness of the importance of saving money. This indicates a positive financial mindset and understanding of the benefits of saving for various purposes.

Reasons for Saving Money: The respondents have diverse motivations for saving money. The most common reasons include saving for loan repayment (44.59% of respondents), buying

household items (52.43%), starting a business (16.76%), and arranging marriage-related expenses (19.73%).

Ways of Saving Money: The preferred methods of saving money among the respondents vary. All respondents save money in banks (100%), while other methods include saving through Self-Help Groups (11.35%), post offices (17.57%), money lenders (6.216%), and at home (30.54%).

Frequency of Account Operations: Respondents engage in account operations, including saving and withdrawal, with different frequencies. The majority (39.19%) prefer a monthly frequency, while others save or withdraw on a weekly (15.95%), fortnightly (5.68%), or flexible basis (30.27%).

Duration of Operating Accounts: The length of time respondents have been managing their accounts varies. Some respondents (1.89%) have been operating their accounts for less than a year, while others have been using their accounts for one year (3.51%), two years (15.95%), three years (17.84%), four years (12.16%), five years (24.86%), or more than five years (23.78%).

Majority of respondents have modest average balances: The study reveals that 36.22% of respondents maintain an average balance of up to 500 Rs in their operating accounts. This indicates that a significant portion of the study population maintains a relatively modest balance, potentially focusing on immediate expenses or having limited capacity for higher savings.

Some individuals demonstrate higher financial stability:While a considerable proportion of respondents have modest average balances, there are individuals who exhibit higher financial stability. For instance, 9.46% of respondents maintain an average balance between 1,000 and 2,000 Rs, indicating a relatively substantial balance within their accounts. This suggests a greater capacity for savings and the potential to work towards longer-term financial goals.

Financial stability increases with higher average balances: The study also reveals that as the average balance increases, so does the level of financial stability. Approximately 11.89% of respondents maintain an average balance between 2,000 and 3,000 Rs, indicating an even higher level of financial stability and a greater capacity to accumulate savings. Similarly, a smaller

group of respondents (8.92%) maintain an average balance of 3,000 Rs and above, indicating a relatively higher level of financial capacity and the potential for significant savings over time.

Varied financial capacities within the study population: The findings highlight the diversity in financial capacities and saving behaviors within the study population. There are individuals with zero balances, individuals with modest average balances, and individuals who consistently maintain higher balances. This indicates a range of financial situations and the presence of different saving habits and financial goals within the community.

Money lenders are a significant source of emergency funds: Approximately 34.86% of respondents mentioned obtaining emergency funds from money lenders. This highlights the reliance on money lenders as a source of immediate financial assistance during times of crisis. However, it is important to note that borrowing from money lenders often comes with high interest rates and potential risks, which can further compound individuals' financial challenges.

Community support plays a crucial role: The majority of respondents (57.03%) mentioned obtaining emergency funds from their neighbors. This underscores the strong sense of community and mutual support within the study population. The reliance on neighbors for financial assistance during times of need demonstrates the importance of social networks in providing immediate financial relief and support during crises.

Liquidation of assets for emergency funds: A significant proportion of respondents (11.35%) mentioned obtaining emergency funds by selling cattle and fowls. This highlights the adaptability and resourcefulness of individuals in managing their financial challenges by liquidating tangible assets. Additionally, a smaller percentage of respondents (8.108%) mentioned mortgaging land or properties to secure immediate funds. However, this approach carries the risk of potential loss of property if the funds cannot be repaid, highlighting the difficult decisions individuals may face in balancing immediate financial needs with long-term asset ownership.

Use of valuable possessions as collateral: Approximately 15.68% of respondents mentioned pledging valuables, such as jewelry or other valuable items, to access immediate funds. While this can provide a short-term solution, it also carries the risk of losing valuable possessions if the

funds cannot be repaid. This indicates that individuals are willing to utilize their valuable possessions as collateral in times of financial crisis.

Formal financial institutions are relied upon: A notable proportion of respondents (29.46%) mentioned obtaining emergency funds from financial institutions, such as banks or credit unions. This suggests a reliance on formal financial channels to access funds during times of financial crisis. Utilizing formal financial institutions offers the advantages of regulated lending practices, potential access to lower interest rates, and the opportunity to build a credit history. This finding reflects a level of financial inclusion and access to formal financial services within the study population.

Easy accessibility is a top priority: Approximately 65.41% of respondents prioritize easy accessibility when selecting a lending institution. This indicates that individuals place significant importance on institutions that are easily accessible, likely in terms of physical proximity or convenient access to services. Easy accessibility simplifies the loan application and repayment processes, making it more convenient for individuals to engage with the institution and access the financial resources they need.

Affordability is crucial: A significant proportion of respondents (25.68%) consider affordable terms and conditions as a crucial factor when choosing a lending institution. This suggests that individuals seek loan options that offer favorable terms and conditions, such as reasonable interest rates, flexible repayment schedules, and manageable loan amounts. The affordability of loans is a key consideration to ensure that individuals can comfortably repay the borrowed funds without placing excessive financial strain on themselves or their households.

Proximity to the residence is preferred: Approximately 34.86% of respondents take into account the proximity of the lending institution to their residence. This indicates that individuals prefer institutions that are conveniently located near their homes. Proximity facilitates easier communication, access to services, and potential face-to-face interactions, which can enhance trust and convenience in the borrowing process. It also enables individuals to seek support or address concerns more easily, strengthening the relationship between borrowers and lending institutions.

Credibility is valued: A smaller percentage of respondents (16.49%) consider the credibility of the institution as an influencing factor. This reflects the importance of reputation and trustworthiness in the decision-making process. Individuals prefer institutions with a proven track record of reliability, transparent policies, fair treatment, and ethical practices. Credibility inspires confidence in the loan process, ensuring that borrowers feel secure and supported throughout their borrowing journey.

Low interest rates are a consideration:Similarly, 17.57% of respondents prioritize a low rate of interest when selecting a lending institution. This suggests that individuals seek institutions that offer competitive interest rates, as lower rates reduce the overall cost of borrowing. Individuals aim to minimize the financial burden of interest payments and maximize the value they receive from the loan, ultimately making borrowing more affordable and sustainable.

The distribution of factors influencing institution selection highlights the multifaceted nature of individuals' decision-making processes when it comes to borrowing loans. It emphasizes the importance of accessibility, affordability, convenience, credibility, and financial factors in shaping individuals' preferences and choices.

Occupation support: 18.92% of respondents borrow money to support their occupation. This indicates that individuals rely on borrowed funds to sustain and enhance their livelihoods. Borrowing plays a crucial role in enabling individuals to continue their occupation effectively by purchasing necessary materials, equipment, or resources. This highlights the significance of financial support in maintaining and improving one's means of earning a living.

Debt repayment**:** A significant proportion of respondents (41.08%) borrow money to repay existing loan dues. This suggests that individuals use borrowing as a means to manage and fulfill their financial obligations. It may involve consolidating debt or refinancing existing loans to streamline repayment. This motivation underscores the importance of accessing credit to effectively manage one's financial responsibilities and ease the burden of debt.

Entrepreneurship: Approximately 9.189% of respondents borrow money to start their own business. This reflects the entrepreneurial aspirations within the study population, as individuals seek financial assistance to embark on their entrepreneurial ventures. Borrowing serves as a means to acquire the necessary funds for initial capital investment. This motivation highlights the

role of credit in facilitating entrepreneurship and supporting individuals in pursuing their business goals.

Family events: A significant number of respondents (56.76%) borrow money to arrange for family functions such as weddings, religious ceremonies, or other significant family gatherings. Borrowing enables individuals to manage the financial aspects of organizing these events, which often involve substantial expenses. This motivation underscores the cultural and social importance placed on family functions and the role of borrowing in ensuring these events can be celebrated joyfully.

Asset acquisition: A smaller percentage of respondents (1.892%) borrow money to purchase assets such as land, vehicles, or other high-value items. This suggests that individuals use borrowing as a means to acquire valuable assets that contribute to long-term financial security and wealth accumulation. It emphasizes the role of credit in enabling individuals to make significant purchases and enhance their financial well-being.

Education: 14.05% of respondents borrow money for the education of their children. This highlights the importance placed on investing in education and providing opportunities for the younger generation. Borrowing funds enable individuals to cover the costs of their children's education, including tuition fees, educational materials, or other related expenses. This motivation underscores the commitment to educational advancement and the recognition of its long-term benefits.

10.1 Financial Inclusion and Accessibility

The most commonly preferred account type is the Basic Saving Bank Deposit Account (No-frill Account), chosen by 87.84% of respondents. This indicates a significant preference for simplified accounts with minimal requirements, promoting financial inclusion for individuals with lower income levels. Post-office Accounts are also widely used, accounting for 26.22% of responses, highlighting the challenges in accessing formal banking institutions for some community members. The adoption of Fixed Deposit Accounts and Recurring Deposit Accounts is relatively low, suggesting limited financial capacity for long-term saving schemes. These findings demonstrate the importance of offering accessible and simplified banking services to promote financial inclusion within the Koraga community.

Type of account

The majority of respondents (79.46%) prefer to operate single accounts, highlighting a preference for individual ownership and control over their financial matters. A smaller proportion of respondents (12.43%) reported operating joint accounts, suggesting a lesser prevalence of shared financial arrangements among the community. Additionally, a subset of respondents (8.11%) reported operating both single and joint accounts, indicating the use of different account types for varying purposes. These findings suggest a preference for individual financial autonomy and shed light on the cultural, social, or economic factors that may influence the community's choice of account operations.

Type of institution

Public Sector Banks are the most preferred institutions for holding accounts, chosen by 69.73% of the respondents. This indicates a reliance on government-owned banks for banking services. Private Sector Banks are also widely utilized, with 16.76% of respondents holding accounts in these institutions, reflecting a diverse range of choices available to the community. Post-Office accounts are favored by 28.11% of respondents, highlighting the accessibility and convenience of these services. Co-operative Societies are utilized by 12.70% of respondents, showcasing the presence of community-based financial institutions. Other Financial Institutions, chosen by 7.30% of respondents, demonstrate a willingness to engage with specialized institutions. These findings emphasize the importance of diverse banking options and alternative financial service providers in meeting the specific needs of the Koraga community.

Source of awareness

The most common sources of awareness about bank accounts are Neighbours and Friends. This highlights the importance of informal networks in spreading knowledge within the community. Bank Officials also play a significant role in providing awareness, emphasizing the direct engagement between the community members and banking institutions. Self-Help Groups (SHGs) and Village Panchayats are additional sources of awareness, indicating the involvement of community-based organizations and local administrative bodies. Other sources, such as NGOs, Posters, News Papers, and Television, contribute to a more diverse range of information channels. These findings underscore the importance of utilizing various communication channels

and engaging with community networks to improve financial literacy and inclusion among the Koraga community.

Methods of operation

Primarily operates their bank accounts through Bank branches, indicating a preference for in-person banking services and face-to-face interactions. However, a smaller proportion of respondents utilize the services of Business Correspondents, Ultra Small Branches, and Customer Service Points. These alternative methods of operating bank accounts cater to community members who face challenges in accessing traditional bank branches, either due to limited infrastructure or geographical constraints. The presence of these methods highlights the efforts to improve accessibility and provide banking services to underserved areas within the community.

Purpose of operation

Majority of the Koraga community members operate bank accounts primarily for the purpose of saving money (75.41%), highlighting the significance of bank accounts as a secure and convenient way to accumulate and manage savings. Additionally, a significant portion of the community relies on bank accounts to access financial aid from government schemes (44.60%), underscoring the importance of formal banking channels for receiving subsidies and welfare benefits. A smaller percentage of respondents hold bank accounts with the motivation of obtaining bank loans (8.92%), demonstrating a desire to establish creditworthiness and access formal financial services. These findings provide insights into the motivations and preferences of the community regarding bank account usage, informing the development of tailored financial solutions that meet their specific needs.

Insurance coverage

A significant proportion of the Koraga community members in Dakshina Kannada District have insurance coverage (75.14%), with Life Insurance being the most common type of policy held (62.06%). This highlights the community's awareness of the need for financial protection and their focus on securing the well-being of their loved ones in case of unfortunate events. Health Insurance (27.94%) and Vehicle Insurance (10.00%) also have notable

representation, indicating recognition of the importance of healthcare coverage and protecting against potential risks related to vehicles. However, the percentage of respondents without insurance coverage (24.86%) suggests the need for increased awareness and access to insurance options within the community.

Distance and frequency of visit

Majority of the community members have access to banks within a short distance from their place of residence, with the nearest bank typically located within 3 kilometers. This suggests that most individuals have relatively convenient access to banking services. However, a smaller portion of the community must travel longer distances, between 5 and 10 kilometers, to reach the nearest bank. This indicates a potential need for improved banking infrastructure in certain areas to ensure equitable access for all community members. on account of frequency of visiting bank branches for banking facilities. The findings indicate that a significant portion of the community members, 42.16%, rarely visit bank branches. This suggests that they may rely on alternative methods or channels for their banking needs, possibly including digital banking or mobile banking services. However, a considerable number of individuals, 36.49%, visit a bank branch once a month, indicating a regular need for in-person banking services. This highlights the importance of maintaining physical bank branches to cater to the needs of community members who prefer or require face-to-face interactions for their banking transactions.

These findings emphasize the importance of understanding the banking preferences and requirements of the Koraga community. It highlights the need for a balanced approach in providing banking services, taking into accounts both physical accessibility and alternative channels to ensure comprehensive and inclusive banking solutions.

Awareness on banking products

The analysis reveals several key findings regarding the level of awareness among the respondents regarding various financial services and products within the Koraga community. Firstly, there is a strong understanding of basic banking functionalities such as deposit/withdrawal services. Awareness levels for loan facilities are also relatively balanced, indicating a reasonable understanding among the study population. However, there is a need for further promotion and education regarding internet banking and mobile banking, as awareness

levels for these services is relatively low. The respondents show a relatively good understanding of electronic fund transfer and collection/payment services. However, there is room for improvement in raising awareness about debit cards, cheque books, passes book updating, overdraft facilities, and mutual funds,demat services, Kisan credit cards, and ATM services. These findings underscore the importance of ongoing education, awareness campaigns, and accessibility initiatives to enhance the overall understanding and utilization of financial services among the Koraga community.

Accessibility of Financial Services

The analysis of responses reveals the diverse perceptions and experiences of the Koraga community regarding the accessibility of financial services. Several key findings emerge from the data. Firstly, the majority of respondents feel that banks do not adequately encourage and support no-frill account holders in accessing credit facilities. There is also a lack of consensus regarding the extent to which banks provide schemes to support the financial needs of the community and give adequate information about their products and services. Additionally, there is mixed opinion regarding the provision of tailor-made schemes based on the needs of the locality and the convenience of bank agents compared to physical bank branches. The community perceives that banking transactions are simplified and accessible in their local language, but there is a lack of consensus regarding the extent to which banks provide doorstep services, especially for cash transactions. Furthermore, opinions are divided regarding the extent to which villages are provided with banking facilities under financial inclusion plans. These findings highlight areas of concern and suggest the need for improvement in information provision, tailored services, and accessibility to enhance the overall accessibility of financial services for the Koraga community.

Impact on Financial Habits and Behaviours

The responses highlight the diverse perceptions and experiences of the Koraga community regarding the impact of financial inclusion programs on their financial habits and behaviors. Several key findings emerge from the data. Firstly, the majority of respondents feel that banks have enhanced their savings habit, indicating a positive impact on their financial behavior. However, there is a lack of consensus regarding the effectiveness of banks'

promotional schemes in promoting saving habits, suggesting varying opinions within the community. Similarly, there is mixed opinion regarding the level of pride associated with having a bank account under financial inclusion plans and the extent to which banks introduce new schemes under these plans. The community also displays differing views on the active role played by banks in bringing the benefits of financial inclusion to the community. Furthermore, there is a lack of consensus regarding the extent to which financial inclusion plans have created employment opportunities and encouraged finding new avenues of revenue. These findings highlight the need for further exploration and evaluation of the impact of financial inclusion programs on the Koraga community, particularly in relation to promotional schemes, pride, and introduction of new schemes, employment opportunities, and revenue generation.

Customer Satisfaction and Equal Treatment

The analysis of responses reveals that the Koraga community generally expresses positive perceptions regarding customer satisfaction and equal treatment by banks. The majority of respondents agrees or strongly agrees that deserving individuals are provided access to timely and adequate credit, indicating a perception of fair and inclusive lending practices. Additionally, respondents agree or strongly agree that banks treat customers equally without discrimination, reflecting a sense of fairness and equality in customer service. However, there are mixed opinions regarding the promptness with which banks address customer grievances. Some respondents agree or strongly agree that banks attend to customer grievances promptly, while others either disagree or strongly disagree. This suggests a lack of consensus within the community regarding the effectiveness of banks in addressing customer concerns in a timely manner. These findings highlight the importance of continuous efforts by banks to improve their customer service and grievance redressal mechanisms to ensure a high level of customer satisfaction and equal treatment for all customers, regardless of their background or identity.

14. SUGGESTIONS:

Guided by the extensive findings and in-depth data analysis derived from the study conducted within the Koraga tribal community, a targeted array of suggestions has been meticulously crafted to address the precise financial inclusion obstacles confronted by this

community. The insights gleaned from the study illuminate multifaceted aspects of financial behavior, accessibility, awareness, and aspirations intrinsic to the Koraga community.

These bespoke recommendations are artfully tailored to the intricacies unveiled through the study, with the aim of cultivating sustainable financial inclusion and empowerment among the Koraga populace. By acknowledging the community's distinct demographics, preferences, and existing practices, these recommendations aspire to forge pathways for strategies that harmonize with their distinct needs and aspirations.

With a collaborative ethos at their core, these recommendations are poised to contribute to a more comprehensive and prosperous financial landscape for the Koraga community. They hold the potential to catalyze heightened economic opportunities and overall well-being, fostering an environment where financial inclusion becomes not just an aspiration but a tangible reality. This endeavor stands as a testament to the transformative power of research-driven, community-centric solutions in reshaping the financial trajectory of marginalized communities.

Culturally Relevant Financial Literacy: One of the pivotal strategies arising from the findings of the study involves the development of culturally tailored financial literacy programs to effectively address the financial inclusion challenges within the Koraga community. The study has underscored the significance of acknowledging and integrating the cultural norms, values, and linguistic nuances specific to the Koraga community. By partnering closely with community members and respected leaders, financial education materials can be meticulously designed to resonate with their daily life experiences and cultural context. This approach recognizes the vital role that cultural sensitivity plays in engaging community members and fostering a deeper understanding of financial concepts.This approach aligns with the findings that highlight the community's strong sense of mutual support and reliance on neighbors during financial challenges. By weaving these cultural threads into financial education, community members are more likely to embrace the knowledge and incorporate it into their financial decision-making processes.

Local Language Communication: To bridge language barriers and enhance accessibility for the Koraga community, it is imperative to advocate for banking services and financial information to be offered in the local language. This recommendation, stemming from the study's insights,

acknowledges the significance of addressing linguistic challenges that hinder effective communication between financial institutions and community members. By adopting a local language approach, financial institutions can foster inclusivity, trust, and transparency, enabling the community to comprehend and engage with financial services more effectively. This linguistic alignment aligns not only with the findings but also supports the community's sense of mutual support and cooperation, thereby facilitating a more equitable and informed financial landscape.

Village-level Banking Outreach: In response to the study's findings, a pivotal recommendation emerges—to establish village-level banking kiosks or mobile units within underserved Koraga villages, effectively addressing limited banking access. This strategic initiative directly addresses the geographical challenges underscored in the study, alleviating the need for arduous travel to access fundamental financial services. By bringing banking services closer to the community, this approach aligns with the study's insights into the diverse economic dynamics and reliance on local support systems. It ensures that all community members, regardless of their location, can conveniently access essential financial services, fostering inclusivity, reducing transactional burdens, and nurturing economic empowerment.

Tailored Banking Products: Informed by the study's findings, a key recommendation is to collaborate with financial institutions in designing specialized savings and loan products that intricately match the income dynamics and financial prerequisites of the Koraga community. This strategic approach aptly responds to the community's diverse motivations for saving and borrowing, ranging from education to entrepreneurial pursuits and family needs. By tailoring financial offerings to these distinct aspirations, financial institutions can forge a path to greater financial inclusion, aligning products with the community's economic realities and fostering a more empowered and financially secure future.

Microfinance Initiatives: Building upon the study's findings, a crucial recommendation involves collaborating with microfinance institutions to establish targeted micro-loans that bolster the Koraga community's key livelihood activities such as agriculture, animal husbandry, and small enterprises. This strategic partnership aptly addresses the community's diverse income sources and aspirations, providing tailored financial support to uplift their economic pursuits. By aligning microfinance with these livelihoods, this approach holds the potential to enhance

financial stability, catalyze development, and empower the community on a path of sustainable economic progress.

Mobile-based Services and Training: Derived from the study's insights, a pivotal recommendation is to introduce user-friendly mobile banking applications while concurrently providing targeted training sessions to empower the Koraga community in adeptly utilizing digital banking tools. This strategic approach adeptly addresses the challenges posed by physical accessibility limitations, aligning with the community's diverse banking preferences. By nurturing digital literacy and promoting the adoption of modern financial technologies, this initiative aspires to enhance financial inclusivity, reinforce the community's financial capabilities, and usher them into a more connected and empowered financial landscape.

Insurance Education and Access: Launch targeted campaigns to educate the Koraga community about the advantages of insurance, especially for health and life coverage, and collaborate with insurers to provide affordable policies. This strategic step directly addresses the study's findings regarding the community's existing insurance awareness and provides a pathway to enhance their financial security. By fostering awareness and affordability, this approach aligns seamlessly with the community's aspirations for stability, resilience, and improved overall well-being.

Collaboration with Local Leaders: To address the financial inclusion challenges identified in the study, a crucial recommendation is to form strategic partnerships with community leaders and organizations within the Koraga community. By leveraging their influence and credibility, these collaborations can establish a foundation of trust and ensure that financial inclusion initiatives are not only aligned with community priorities but also shaped by their insights. This approach resonates with the study's emphasis on community support and underscores the importance of local context in designing effective interventions. Through close collaboration, financial inclusion efforts can be tailored to meet the specific needs of the Koraga community, leading to more meaningful impact and sustainable progress.

14.1 SUGGESTIONS FOR BACKWARD COMMUNITIES IN GENERAL

Informed by a comprehensive analysis of diverse backward communities, a set of strategic recommendations has been meticulously developed to tackle the prevalent challenges of

financial inclusion within these marginalized populations. These tailored suggestions are intricately aligned with the wide spectrum of financial behaviors, access constraints, awareness deficiencies, and aspirations inherent to backward communities. By acknowledging the unique socio-economic backgrounds, cultural intricacies, and prevailing financial norms within these communities, these recommendations intend to establish a robust foundation for impactful strategies that address their distinctive requirements and aspirations. This collaborative approach holds the potential to pave the way for a more equitable and thriving financial landscape for backward communities, thereby fostering enhanced economic opportunities and overall well-being.

Customized Financial Literacy Programs: Craft tailored financial literacy programs that encompass the rich diversity of backgrounds, languages, and cultures among various backward communities. Embrace a comprehensive approach that champions interactive and relatable content, ensuring that the educational initiatives resonate deeply with the unique experiences and perspectives of these marginalized populations. By prioritizing cultural sensitivity and linguistic inclusivity, these programs can bridge gaps in financial knowledge and empower individuals within backward communities to make informed and confident financial decisions, ultimately contributing to their economic

Localization of Banking Services: Champion the cause of localized banking services that encompass a range of language choices, culturally attuned information, and physical accessibility in underserved regions. By advocating for banking services that cater to the specific linguistic and cultural needs of diverse backward communities, these initiatives can eliminate barriers to entry and foster a sense of inclusivity. Aiming to bridge the gap between financial institutions and marginalized populations, this approach has the potential to enhance financial access, improve awareness, and empower individuals within these communities to participate more actively in the formal financial system.

Collaboration with Microfinance Institutions: Forge strategic alliances with microfinance institutions to facilitate customized micro-loan offerings that cater to income-generating endeavors, entrepreneurial ventures, and asset acquisition within backward communities. Through these collaborative efforts, individuals in these marginalized populations can access crucial financial support tailored to their specific needs, thereby fostering economic growth and

self-sufficiency. By leveraging the expertise of microfinance institutions, these partnerships can contribute to the empowerment of individuals and the overall advancement of backward communities, creating a pathway towards improved livelihoods and financial well-being.

Digital Inclusion Initiatives: Initiate comprehensive digital literacy programs aimed at equipping backward community members with essential digital skills, thereby bolstering their capacity to engage with online banking services and relevant information. By focusing on enhancing digital inclusion, these initiatives can bridge the technological divide and ensure that marginalized populations are not left behind in the digital age. Empowering individuals with the tools to navigate digital platforms can empower them to access financial services, information, and opportunities, leading to increased financial literacy and economic participation within backward communities.

Government Engagement: Engage in collaborative efforts with government agencies to seamlessly integrate financial inclusion initiatives into established welfare programs, ensuring that these efforts are harmonized with the specific needs and priorities of backward communities. By forging partnerships with governmental entities, financial inclusion can become an integral component of broader social development strategies. This synergy can lead to more impactful interventions that address both immediate socio-economic challenges and long-term financial well-being, thereby fostering a more inclusive and sustainable trajectory for backward communities.

Promote Trust and Transparency: Promote an environment of trust and transparency through collaboration with local leaders and respected organizations, nurturing a sense of reliability and credibility for financial institutions within backward communities. By building these partnerships, financial institutions can position themselves as trustworthy allies committed to the economic advancement and well-being of these marginalized populations. This approach not only enhances the perception of financial institutions but also encourages community members to actively engage with banking services, thereby contributing to increased financial literacy, inclusion, and overall empowerment within backward communities.

Regular Feedback Mechanisms: Institute robust feedback mechanisms to consistently evaluate the effectiveness of financial inclusion initiatives and facilitate ongoing improvements by

incorporating valuable insights from the community. By establishing channels for open communication and active participation, these mechanisms ensure that initiatives are responsive to the evolving needs and aspirations of backward communities. This iterative approach enables the fine-tuning of strategies, fostering a more relevant and impactful approach to financial inclusion that addresses the unique challenges and opportunities faced by these communities.

15. DIRECTIONS FOR FUTURE RESEARCH

A comprehensive assessment of the long-term effects of community support, reliance on money lenders, and the accessibility of formal financial institutions during crises would enhance understanding. Research on the effectiveness of existing financial inclusion programs, especially in terms of their impact on employment opportunities and revenue generation, could guide the development of more targeted interventions. Lastly, a comparative study with other tribal communities and an evaluation of policy implications for broader financial inclusion initiatives would contribute to the advancement of inclusive financial practices for marginalized communities.

16. CONCLUSION

In culmination, the exploration of "Financial Inclusion in Koraga Community – A Case Study of Dakshina Kannada District" has revealed a profound understanding of the intricate challenges and potential solutions related to financial inclusion within a marginalized community. Through an in-depth analysis of the Koraga community's financial habits, accessibility, awareness, and aspirations, this study has provided a comprehensive foundation for formulating targeted recommendations.

The study underscores the importance of tailoring financial literacy programs to align with the community's cultural norms, emphasizing the need for localized communication and user-friendly banking services. The strategic deployment of microfinance initiatives, mobile-based services, and insurance education can bridge the gap between financial institutions and community members, fostering empowerment and engagement. The collaboration with local leaders, government agencies, and microfinance institutions emerges as a crucial strategy to ensure inclusivity and credibility.

The findings of this case study echo beyond the confines of the Koraga community, resonating with the broader context of backward communities. They illuminate the path toward holistic financial inclusion, underpinned by a deep understanding of local dynamics and the cultivation of trust. This study's insights contribute not only to the enhancement of financial literacy and access within the Koraga community but also to the advancement of backward communities at large. As we look ahead, the recommendations and insights derived from this study can serve as catalysts for transformative change, fostering economic empowerment and sustainable development within marginalized communities.

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